

**Exhibit 38**

**Excerpts of July 21, 2014 D. Bing Deposition Transcript**

<p style="text-align: right;">Page 1</p> <p>1 DAVE BING</p> <p>2</p> <p>3 IN THE UNITED STATES BANKRUPTCY COURT</p> <p>4 FOR THE EASTERN DISTRICT OF MICHIGAN</p> <p>5</p> <p>6</p> <p>7 In re ) Chapter 9</p> <p>8 CITY OF DETROIT, MICHIGAN, ) Case No. 13-53846</p> <p>9 Debtor. ) Hon. Steven W. Rhodes</p> <p>10</p> <p>11 _____</p> <p>12</p> <p>13</p> <p>14 The Videotaped Deposition of DAVE BING,</p> <p>15 Taken at 2 Woodward Avenue, Suite 500,</p> <p>16 Detroit, Michigan,</p> <p>17 Commencing, at 8:55 a.m.,</p> <p>18 Monday, July 21, 2014,</p> <p>19 Before Kathryn L. Janes, CSR-3442, RMR, RPR.</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 3</p> <p>1 DAVE BING</p> <p>2 MELVIN BUTCH HOLLOWELL, ESQ.</p> <p>3 City of Detroit Law Department</p> <p>4 2 Woodward Avenue</p> <p>5 Suite 500</p> <p>6 Detroit, Michigan 48226</p> <p>7</p> <p>8</p> <p>9 Appearing on behalf of the Witness.</p> <p>10</p> <p>11 DANIEL MORRIS, ESQ.</p> <p>12 Dentons US LLP</p> <p>13 1301 K Street, N.W.</p> <p>14 Suite 600, East Tower</p> <p>15 Washington, DC 20005-3364</p> <p>16</p> <p>17</p> <p>18 Appearing on behalf of the Retiree Committee.</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 2</p> <p>1 DAVE BING</p> <p>2 APPEARANCES:</p> <p>3</p> <p>4 THOMAS F. CULLEN, JR., ESQ.</p> <p>5 Jones Day</p> <p>6 51 Louisiana Avenue, N.W.</p> <p>7 Washington, D.C. 20001-2113</p> <p>8</p> <p>9</p> <p>10 Appearing on behalf of the Debtor, City of</p> <p>11 Detroit.</p> <p>12</p> <p>13 LAUREN M. BUONOME, ESQ.</p> <p>14 Jones Day</p> <p>15 222 East 41st Street</p> <p>16 New York, New York 10017</p> <p>17</p> <p>18</p> <p>19 Appearing on behalf of the Debtor, City of</p> <p>20 Detroit.</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 4</p> <p>1 DAVE BING</p> <p>2 MICHAEL J. PATTWELL, ESQ.</p> <p>3 Clark Hill, PLC</p> <p>4 212 East Grand River Avenue</p> <p>5 Lansing, Michigan 48906</p> <p>6 Appearing on behalf of the Retirement Systems</p> <p>7 for the City of Detroit.</p> <p>8</p> <p>9</p> <p>10</p> <p>11 WILLIAM E. ARNAULT, ESQ.</p> <p>12 Kirkland &amp; Ellis LLP</p> <p>13 300 North LaSalle</p> <p>14 Chicago, Illinois 60654</p> <p>15 Appearing on behalf of Syncora Guarantee Inc.</p> <p>16 and Syncora Capital Assurance Inc.</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

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<p style="text-align: right;">Page 53</p> <p>1                   DAVE BING</p> <p>2           <b>time any time something is taken away from you.</b></p> <p>3   Q. And you say that you didn't have the time or the</p> <p>4       data to -- to really talk productively with the</p> <p>5       unions, and so would you say that if you really</p> <p>6       wanted to make progress with the unions, it took</p> <p>7       more time than you had?</p> <p>8           MR. MORRIS: Objection, form.</p> <p>9   <b>A. For me personally, the answer would be yes. That</b></p> <p>10   <b>was not my day-to-day responsibility. I mean, you</b></p> <p>11   <b>had department heads that were responsible for</b></p> <p>12   <b>that.</b></p> <p>13 BY MR. ARNAULT:</p> <p>14 Q. And if you'll turn back to I think it was Bing</p> <p>15       Exhibit 3, it's this Can Detroit Be Saved</p> <p>16       article?</p> <p>17   <b>A. Uh-huh.</b></p> <p>18 Q. And on the second page, the third paragraph,</p> <p>19       probably some editorializing by the paper, but it</p> <p>20       says that he grumbles that there are 17 unions</p> <p>21       with over 50 separate bargaining sheets --</p> <p>22       bargaining units. And I can give you a data</p> <p>23       sheet that will show you we've got several of</p> <p>24       those bargaining units with less than 100 people</p> <p>25       and each one of them has a president that's paid</p>	<p style="text-align: right;">Page 55</p> <p>1                   DAVE BING</p> <p>2   <b>A. They were staggered.</b></p> <p>3   Q. So it seems like the City's labor relations</p> <p>4       department would just be constantly renegotiating</p> <p>5       contracts?</p> <p>6   <b>A. Yes, yes.</b></p> <p>7   Q. Was that an efficient way for the government to</p> <p>8       operate, do you think?</p> <p>9   <b>A. I don't think so.</b></p> <p>10 Q. I mean, as you put it, it seems insane to have</p> <p>11       that many unions?</p> <p>12   <b>A. Yep.</b></p> <p>13 Q. I take it, you would agree that the number of</p> <p>14       unions and bargaining units caused problems for</p> <p>15       the city?</p> <p>16   <b>A. Yes.</b></p> <p>17 Q. And besides --</p> <p>18   <b>A. That's from an efficiency standpoint. I mean, you</b></p> <p>19   <b>just mentioned that the labor relations</b></p> <p>20   <b>department, which was huge, you know, if we -- if</b></p> <p>21   <b>we had done things a different way, a more</b></p> <p>22   <b>efficient way, that's a department that probably</b></p> <p>23   <b>didn't need nearly as many people.</b></p> <p>24 Q. Okay. So the fact that there were more than 50</p> <p>25       bargaining units just led to inefficiencies --</p>
<p style="text-align: right;">Page 54</p> <p>1                   DAVE BING</p> <p>2       by the city to negotiate against the city.</p> <p>3       Coming from the private sector, I find that</p> <p>4       insane. So while you were in office, there were</p> <p>5       actually 17 unions and more than 50 bargaining</p> <p>6       units you had to negotiate with?</p> <p>7   <b>A. Not me personally, but yes.</b></p> <p>8   Q. But the City negotiated?</p> <p>9   <b>A. Yes, yes.</b></p> <p>10 Q. And each bargaining unit had its own contract?</p> <p>11   <b>A. Yes.</b></p> <p>12 Q. And it sounds like some of the bargaining units</p> <p>13       actually had less than 100 people?</p> <p>14   <b>A. Yes.</b></p> <p>15 Q. So every couple years or so would the city</p> <p>16       actually have to go out and renegotiate new</p> <p>17       contracts with more than 50 different bargaining</p> <p>18       units?</p> <p>19   <b>A. Depends upon the length of the contract, maybe not</b></p> <p>20   <b>every couple years, some were, you know, three</b></p> <p>21   <b>years, some may have been five years, but at</b></p> <p>22   <b>the -- at the expiration of that contract, yeah,</b></p> <p>23   <b>you entered into some more negotiations.</b></p> <p>24 Q. And were the end date of the various CBAs, were</p> <p>25       they staggered?</p>	<p style="text-align: right;">Page 56</p> <p>1                   DAVE BING</p> <p>2   <b>A. Yeah.</b></p> <p>3   Q. -- for the city.</p> <p>4   <b>A. I think so.</b></p> <p>5   Q. Were there any other problems you ran into</p> <p>6       because you had that more than 50 bargaining</p> <p>7       units?</p> <p>8   <b>A. Well, you've got all person -- you've got 50</b></p> <p>9   <b>different personalities from a leadership</b></p> <p>10   <b>standpoint that you have to deal with and that's</b></p> <p>11   <b>always a problem.</b></p> <p>12 Q. And you also mentioned that each of the</p> <p>13       bargaining units has a president that's paid by</p> <p>14       the city to negotiate against the city?</p> <p>15   <b>A. Yes.</b></p> <p>16 Q. So the city was actually paying these union</p> <p>17       presidents to engage in negotiations against the</p> <p>18       city; is that right?</p> <p>19   <b>A. Well, I guess they would say we represented the</b></p> <p>20   <b>employees, so, you know. But yeah, I -- I would</b></p> <p>21   <b>say so.</b></p> <p>22 Q. Okay. And do you think that caused a problem for</p> <p>23       the city?</p> <p>24   <b>A. Yes.</b></p> <p>25 Q. How so?</p>

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<p style="text-align: right;">Page 57</p> <p>1 DAVE BING</p> <p>2 <b>A. You could never, once again, come to agreement on</b></p> <p>3 <b>anything. I mean, everything was just -- it was</b></p> <p>4 <b>an elongated process that didn't get -- didn't</b></p> <p>5 <b>really benefit anybody, in my opinion.</b></p> <p>6 Q. So the number of bargaining units led to</p> <p>7 inefficiencies, an elongated bargaining process,</p> <p>8 having to deal with a number of different</p> <p>9 department heads with different personalities,</p> <p>10 were there any other problems that the number of</p> <p>11 bargaining units caused?</p> <p>12 <b>A. Well, I mean, there was just a lack of trust</b></p> <p>13 <b>between management and the bargaining units. And</b></p> <p>14 <b>a lot of that I think is very historical. So it</b></p> <p>15 <b>was nothing new to us, but when -- when people say</b></p> <p>16 <b>they're going to do something and they come to an</b></p> <p>17 <b>agreement and they don't do it, then you just</b></p> <p>18 <b>don't have trust and -- and we found that to be a</b></p> <p>19 <b>big issue, a lack of trust.</b></p> <p>20 Q. Did you take any steps is to try and bridge the</p> <p>21 trust gap between the city and the unions?</p> <p>22 <b>A. Well, yeah, the labor relations department got</b></p> <p>23 <b>much more heavily involved in the process.</b></p> <p>24 Q. And had they not been heavily involved in the</p> <p>25 process before that?</p>	<p style="text-align: right;">Page 59</p> <p>1 DAVE BING</p> <p>2 <b>A. No.</b></p> <p>3 Q. Let me know if at any time you want to take a</p> <p>4 break.</p> <p>5 <b>A. All right.</b></p> <p>6 Q. So you mentioned earlier that one of the big</p> <p>7 problems that the city faced was the work rules.</p> <p>8 And so my understanding is that the work rules in</p> <p>9 the CBAs actually impaired the efficient</p> <p>10 operation of the City government?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Would that be fair?</p> <p>13 <b>A. That would be fair.</b></p> <p>14 Q. And how did the CBAs impair the efficient --</p> <p>15 <b>A. The biggest thing I can remember, they had bumping</b></p> <p>16 <b>rights and in some cases, based on seniority,</b></p> <p>17 <b>there may have been people in a seniority position</b></p> <p>18 <b>that we didn't think should remain in the City</b></p> <p>19 <b>government. But they had bumping rights and so</b></p> <p>20 <b>they would bump the less senior people who may</b></p> <p>21 <b>have been better equipped, more efficient, more</b></p> <p>22 <b>knowledgeable, but we -- we lost in that</b></p> <p>23 <b>situation. So I think it was bumping rights, you</b></p> <p>24 <b>got people that left one job, went to another job</b></p> <p>25 <b>they knew absolutely nothing about and they bumped</b></p>
<p style="text-align: right;">Page 58</p> <p>1 DAVE BING</p> <p>2 <b>A. They may have been, but then once again, you know,</b></p> <p>3 <b>you had turnover, and it got down to</b></p> <p>4 <b>personalities. And a lot of cases, union</b></p> <p>5 <b>leadership, there's a lot of turnover. City</b></p> <p>6 <b>government leadership was a lot of turnover, so,</b></p> <p>7 <b>you know, just based on what happened</b></p> <p>8 <b>historically, we seemed to be just fighting each</b></p> <p>9 <b>other all the time and that's just not healthy.</b></p> <p>10 Q. And did you think that reducing the number of</p> <p>11 bargaining units was essential to the</p> <p>12 restructuring of the city?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. And while you were mayor, did you take any steps</p> <p>15 to reduce the number of bargaining units?</p> <p>16 <b>A. We wanted to do that, but once again, based on</b></p> <p>17 <b>contractual obligations, that was very difficult,</b></p> <p>18 <b>very difficult to do.</b></p> <p>19 Q. And what steps did you take --</p> <p>20 <b>A. I can't remember.</b></p> <p>21 Q. Okay. And why did the -- and it was the CBAs</p> <p>22 that made it difficult?</p> <p>23 <b>A. Yes.</b></p> <p>24 Q. Do you remember how it made -- how the CBAs made</p> <p>25 that change difficult?</p>	<p style="text-align: right;">Page 60</p> <p>1 DAVE BING</p> <p>2 <b>out a person that knew the job, and that was --</b></p> <p>3 <b>that was very inefficient.</b></p> <p>4 Q. Right. So a person could earn -- or an employee</p> <p>5 could go from one department to another?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. And if that person had more seniority than a</p> <p>8 person who had been working on that job --</p> <p>9 <b>A. That's correct.</b></p> <p>10 Q. -- they would be able to bump them?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Even if they didn't know anything about it?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. And that was just a problem from an inefficiency</p> <p>15 standpoint?</p> <p>16 <b>A. Absolutely, inefficiently and knowledge.</b></p> <p>17 Q. And did it also affect morale?</p> <p>18 <b>A. Oh, I'm sure it did.</b></p> <p>19 Q. And do you think that was also what led to some</p> <p>20 of the attrition?</p> <p>21 <b>A. I'm sure.</b></p> <p>22 Q. And did you try and modify the bumping rights</p> <p>23 provisions in the CBAs?</p> <p>24 <b>A. Yes, that was attempted, but not sure we were</b></p> <p>25 <b>successful.</b></p>

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